

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1895 – SB 2253

February 20, 2016

SUMMARY OF BILL: Creates a 14-member Select Oversight Committee on TennCare to be composed seven members appointed by the Speaker of the Senate and seven members appointed by the Speaker of the House of Representatives. Authorizes the Committee to conduct hearings, employ staff and enter into contracts for technical or professional services. Requires the Committee to meet at least quarterly at the call of the Chair and allows each member to be entitled to expenses for each day the member attends a meeting of the Committee; provided that no member will receive additional legislative compensation when the General Assembly is in session or a member is being paid any other payments on the same dates for attendance on other state business. Requires the Committee to report on its activities to each member of the General Assembly.

Requires the Department of Health, the Department of Mental Health, the Department of Intellectual and Developmental Disabilities, and other state government agencies to provide the Committee with information and assistance as necessary. Requires the Committee to regularly review the functions and activities of the Health Care Financing Administration (HCFA) and the TennCare program. Requires the Bureau, before submitting a request to the United States Department of Health and Human Services, to transmit any proposed amendments to the waiver, or a renewal of the waiver for the TennCare program, to the Committee for comment at least 30 days prior to submission of the waiver, and to notify each member of the General Assembly of the proposed amendment or renewal.

Requires the Bureau of TennCare to file an annual report setting forth data and statistics relative to health care provided to women with the members of the Committee, the Speaker of the House of Representatives, and the Speaker of the Senate. Requires TennCare to develop data measures to assess the effectiveness of presumptive eligibility, the distribution of providers for each managed care organization (MCO) for TennCare enrollees within each grand division of the state, and the incidences of early prenatal care for TennCare recipients. The first report is due by December 1, 2017. Requires the MCOs to report regularly to the Bureau using such data measures. Requires such reports, within 15 days of the end of each quarter, to be provided to the Committee, the Office of Legislative Budget Analysis and the Fiscal Review Committee.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$196,500

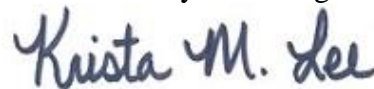
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Assumptions:

- Public Chapter 410 of the Public Acts of 2011 eliminated several joint legislative committees including the Select Oversight Committee on TennCare. At the time the Committee was abolished there was an executive director and a legislative administrative assistant. Estimate assumes the same previous staffing level. The budgeted amount for the Select Oversight Committee on TennCare for FY2009-10 was \$191,700; this amount was used in the Special Report on Joint Oversight Committees issued in 2011 by the Comptroller's Office.
- The Office of Legislative Administration assumed the same amount will be budgeted to reestablish the Committee. A recurring increase in state expenditures of \$191,700 (\$12,800 operation costs + \$132,300 staff salaries + \$46,600 benefits).
- Legislative members will receive travel expenses and per diem when Committee meetings are called provided the General Assembly is not otherwise in session on the day of a meeting. There are 14 members of the Select Oversight Committee. Travel and per diem expenses for 14 legislative members of \$4,810 per meeting (\$204 per diem + \$139.59 mileage for each member). There will be at least one meeting per year; as a result, the increase in state expenditures for meetings is estimated to exceed \$4,810 per year.
- The total recurring increase in state expenditures is estimated to exceed \$196,510 (\$191,700 + \$4,810).
- The required annual reports, development of data measures to assess the effectiveness of presumptive eligibility, the distribution of providers for each MCO, and the incidences of early prenatal care, and quarterly reports were in statute prior to 2011 and are being restored by the proposed bill. The Bureau of TennCare will not require any additional resources to resume the requirements of the bill.
- The Department of Health, the Department of Mental Health, the Department of Intellectual and Developmental Disabilities, and other state government agencies will not require additional resources to provide information and assistance to the Committee as necessary. Any increase in workloads can be accommodated within existing resources.
- Delivering reports to the members of the General Assembly, the Committee, the Office of Legislative Budget Analysis, and the Fiscal Review Committee can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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